Facilities Officers Workshop

Competitive Sourcing (A-76)

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Briefing Outline

- A-76/Competitive Sourcing Overview
  - NDAA FY08 changes to A-76 Program
  - DoD Guidance
  - USMC Benefits
- A-76 Perspective
- Key Areas
- Future Program Status
- What I Need to Know?

Retirement & Health Care

- **DoD Has Competed and Won Over 85% of Competitions**
- **FY08 NDAA**
  - Requires that contractors cannot receive and advantage due to retirement and health care being provided which is less than the government
  - Together that is nearly 32% of labor
  - Therefore costs are collected and bids adjusted up (if needed to equal 32%)
- **Result – Unknown**
- **Speculation – These Contractor Costs Are Significantly Lower Than 32%, Therefore:**
  - Awards to contractors will disappear
  - Contractors will stop competing
  - Agency Tender costs will increase

A-76 Benefits

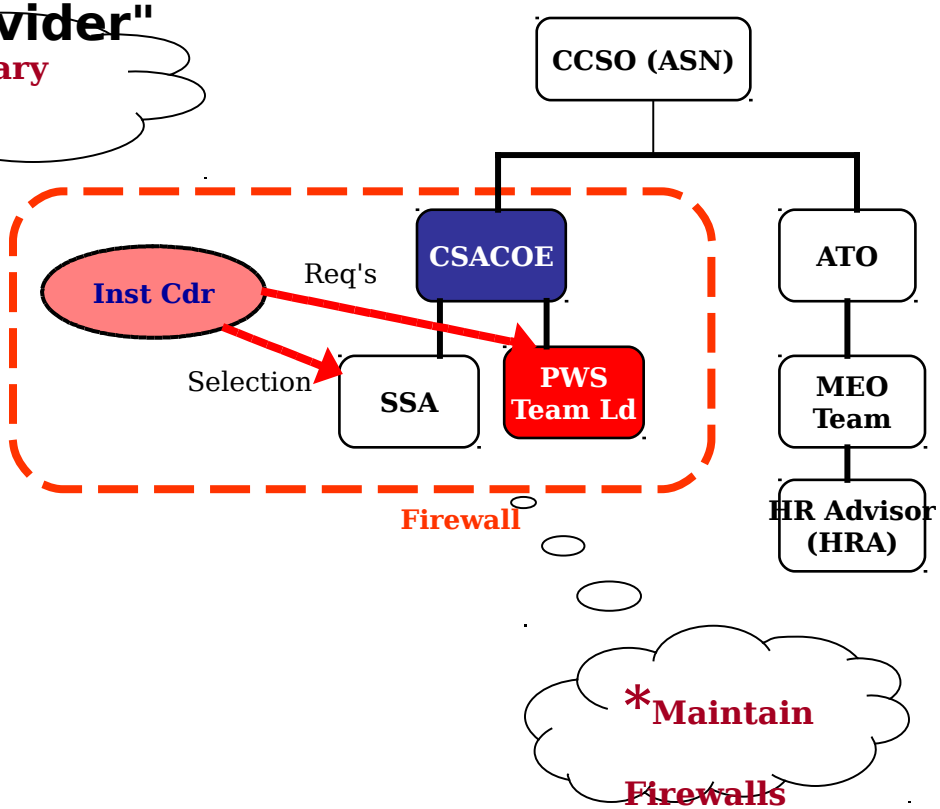
- **Requirements are Defined**
- **Improves Performance**
  - Empowered MEO
  - Discipline (know impact of changes)
  - Metrics
- **Competition Drives Efficiencies**
  - Historically 30% savings – validated
- **A-76 Drives to a Conclusion**
- **Accountability (Annual Assessments)**

Perspective on A-76

From "We are the service provider" to "Select the best service provider"

A-76 Process (12-18 Months)

- **Preliminary Planning**
  - *Support preliminary planning
  - *Provide team members
  - *Provide data
- **Public Announcement**
  - *Make local announcements
- **Solicitation/ PWS**
  - *Define requirements & performance standards
  - *Provide MEO team members
- **Source Selection**
- **Final Decision**
  - *SSEB membership
  - *Ensure "fair process"
- **Post Comp Accountability**
  - *Monitor service provider performance



*Maintain Firewalls

***Commander's Responsibilities**

A-76 Key Areas

- **Preliminary Planning**
  - Defines Business Unit to be competed
  - No set timeline, but usually within 6 months
  - Courtesy announcement to Congress (Navy Policy)
- **PWS**
  - Higher HQ review (PWS-BOD)
  - Centralized PWS Team Leader (at Intermediate Commands - responsible for work that gets done)
- **Agency Tender (AT)**
  - Centralized AT Officer (at Regional Commands, responsible for getting the work done)
  - MEO still operates within Government regulations
- **Acquisition**
  - Competitive Sourcing Acquisition Center of Excellence (CSACOE) provides
    - Contracting Officer
    - Consultant Support
- **Post Performance Accountability**
  - Continuous performance monitoring
  - Combined with periodic assessments (see Monitoring MEOs slide)

Preliminary Planning Team

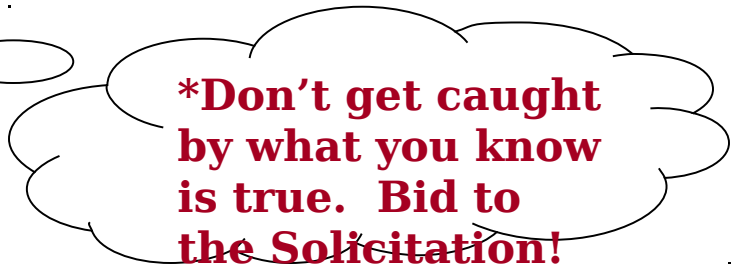
- **Begins with Courtesy Notification to Congress**
- **Fact Finding**
- **Market Analysis**
- **Labor Market Analysis**
- **Define Business Unit and Baseline Cost**
- **Final Report**
  - Defined business unit(s)
  - Roles & responsibilities of teams
  - Recommend competition officials
  - Recommend type of Competition w/milestones
- **Public Announcement (official start) of Competition and End to Preliminary Planning**

PWS Team

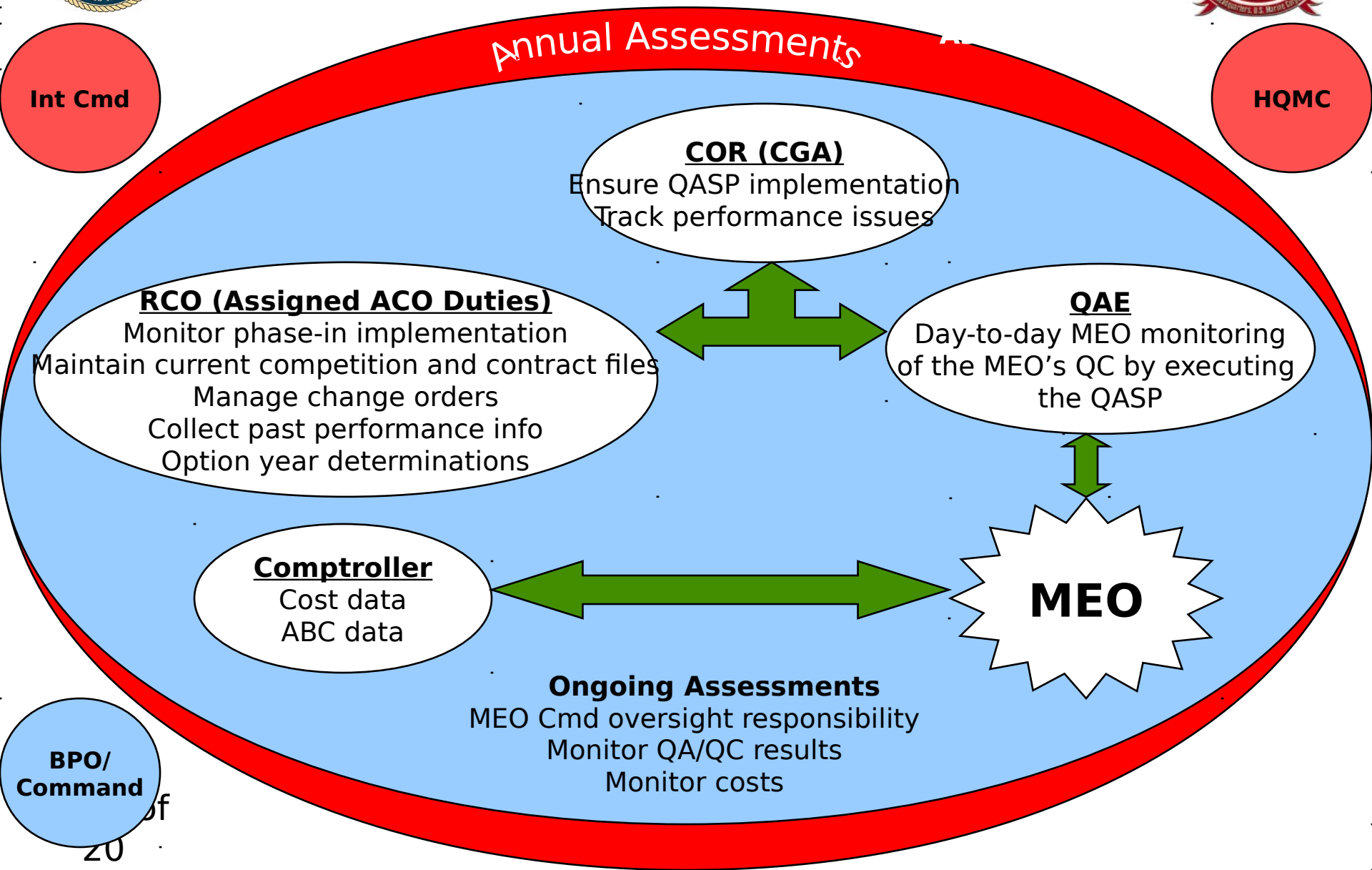
- **Members Not on the AT Team**
- **Acquisition Strategies**
  - **Approved by CSACOE (Contracting Officer)**
- **PWS Development**
  - **Performance based – NAVFAC template-tailored**
  - **Government furnished property**
    - **Requires CCSO approval**
  - **Post draft for public comment – highly recommended**
- **Quality Assurance Surveillance Plan**
  - **Can be part of the solicitation**
- **Quality Control Required Under A-76**

Agency Tender (AT) Team

- **Members Not on the PWS Team**
- **Agency Tender Official**
  - **Assigned by and represents Sub-Regional Command**
  - **Manages AT development**
  - **Uses best practices or market research to achieve optimal organization**
  - **Primary concern is to build MEO which will best meet the requirements of the solicitation**
- **Agency Tender Requirements**
  - **Respond to the solicitation**
    - **MEO Staffing Plan**
    - **Cost Estimate**
    - **Quality Control Plan**
    - **Phase-in Plan**
    - **Any existing MEO subcontracts**
  - **Solicitations are generally:**
    - **Low cost technically acceptable**
    - **Mix of IDIQ and fixed price**



Monitoring MEOs



Future Competitions

- **Budget Drives the Program, Priorities are:**
  - **MEO's not performing**
  - **Recompetitions - Extensions for a High Performing Organization (HPO)**
    - **PWS up to date**
    - **Market Conditions indicate MEO competitive**
    - **Meeting cost and performance**
  - **New competitions from Competition Candidate List**
- **New Competitions – Marine Corps List of Approved Commercial Activity Candidates**

High Performing Organization (HPO)

- **Requirements Document Required**
- **Business Process Re-engineering (BPR)**
  - Lean Six Sigma process would be acceptable
  - Draft DoD guidance establishes the program
  - Limited to 3 years post-MEO, 5 years new
- **Performance Accountability**
  - Performance metrics established or continued
  - Tracked via DCAMIS (OSD visibility)
  - Annual report
- **HPO Plans Shown on PB42 and Credit Toward Overall Accomplishment Pending Approval by OSD**

USMC Approved Competition Candidates

I&L Processes:

- **Supply Services**
  - Retail supply ops/DSSCs
  - Storage & warehousing
  - Fuels storage & dist
  - Military clothing
  - Personal property
- **Transportation**
- **Laundry Services**
- **Utilities**
- **Base Ops & Facilities O&M (re-competitions)**

All Other Processes:

- **Telephone Systems (C4)**
- **EAP Maint (MCCDC)**

Competitions in Progress:

- Fuels at Miramar
- Laundry Services at MCRD Parris Island

Priorities for future new competitions:

- Fuels Optimization - Other bases
- SWRFT - West Coast Transportation
- Telephone Systems - USMC

Other Competition Candidates

- **Utilities**
- **Garrison Property**
- **EEAP 29 Palms**
- **Telephone Communications**
- **Transportation**
- **SWRFT**

(Both SWRFT and Transportation dependent upon impact of USMC Enterprise Supply initiative)

Recompetition Schedule

Managing Organization	Function	Exec. Pd Start	End Date (Last Pd)	MEO FTE	Start Prel. Plg	Start Prel. w 3 yrs	PP FY Start
MCB Quantico	Facilities	4/23/2003	4/22/2008	246	5/1/2007	~~10/25/2009~~	FY07
MCAS Cherry Point	Facilities	10/1/2002	10/1/2005	202	4/4/2004	4/4/2007	FY08
MCLB Albany	Environ.	10/1/2002	9/30/2005	14	4/3/2004	4/3/2007	FY08
MCLB Albany	Facilities	2/11/2004	2/10/2007	52	8/14/2005	8/14/2008	FY08
MCRD Parris Island	Facilities	3/1/2003	2/29/2008	98	9/1/2006	9/1/2009	FY09
MCRD Parris Island	Motor T	7/21/2003	7/20/2008	34	1/22/2007	1/22/2010	FY09
MCLB Barstow	Facilities	10/1/2001	9/30/2008	143	4/4/2007	4/4/2010	FY10
MCAS Yuma	Facilities	1/4/2002	1/3/2009	99	7/8/2007	7/8/2010	FY10
MCB Hawaii	Facilities	3/7/2004	3/7/2009	152	9/9/2007	9/9/2010	FY11
MCAGCC 29 Palms	Facilities	12/1/2003	11/30/2010	66	6/3/2009	6/3/2012	FY12
Lejeune	MISC	4/1/2005	4/1/2010	124	10/3/2008	10/3/2011	FY12
Pendleton	Facilities	1/2/2005	1/2/2012	258	7/6/2010	7/6/2013	FY13
MCRD San Diego	Env. &	2/1/2005	1/31/2013	72	8/4/2011	8/4/2014	FY14
			Total	**1560**			

A-76! Who else is involved?

- **OSD**
  - They coordinate DoD policy, interact with OMB, and promote the program
- **CCSO**
  - ASN provides approval on authorities delegated to them.
- **HQMC**
  - Provides general program support to include competition funding for training, consultant support, USMC guidance or policy, PWS approval process, reporting
  - Any request or requirement for higher level approval goes through HQMC (LR)
- **Intermediate Commands**
  - Requirements definition (PWS) approval, reporting, functional funding, other guidance
- **Sub-Regions**
  - Provides Agency Tender Official (ATO), shares efficiency and performance management data
- **CSACOE**
  - Source selection and contracting
  - Consultant support contracts

What to do if?

- Educate and Train
  - DAU on-line course
  - Commercial courses
  - Navy courses as available
  - JIT training available as part of consultant support contracts
  - References
    - A-76, MCO 4860.3E (draft), DoD Costing Manual, Baseline Costing Guidance, Streamlined Guidance (if applicable)
- Identify Personnel
  - Preliminary Planning Team, PWS Team, AT Team, HR Official
  - Consultant support thru CSACOE and HQMC (LR), there will be different consultant companies for Preliminary Planning/PWS Development and the AT Teams (firewall issues)
- Identify Working Spaces
- Develop Communications Plan
- Kick-off Preliminary Planning (Following Courtesy Congressional Announcement)

Issues of the Day

- **HPO Packages (Cherry Point, Parris Island, Hawaii) all forwarded to ASN**
- **MCB Quantico finished Preliminary Planning**
- **MCAS Miramar and MCRD Parris Island has to revise the solicitation based on the need to consider retirement costs**
- **FUTURE of the Program (conflicted)**
  - **Funding**
  - **OSD Guidance**
  - **Competition**
  - **Administration Change**
  - **Current Administration reluctance to back**
  - **NDAA and Congressional Interest**
  - **Union opposition - Contracting Community silent**

Summary

- **A-76 is a Powerful Tool to Achieve Installation Efficiencies**
- **Installations have Major Roles in all Phases of the Program**
- **“Re-competitions” no longer “Required” but strongly encouraged. Unless there is reason to recompete we will extend.**

Back-Up

USMC Program Record

Completion Schedule/Record for Announced Studies (updated 4/14/06)											
Location/Function	CAMIS #	Competed			MEO FTE	Decision Date	Conversion Date	MEO RVW Date	Last Perf End Date	Est. annual	
		CIV	MIL	TOT						Svgs ($M)	Svgs %
MARFORPAC											
Pendleton/Facilities	***MC20030001***	408	13	421	258	3/15/04	1/2/05	11/4/05	1/2/12	8.7	30.6%
Pendleton FAP/ADMIN	***MD20000003***	0	22	22	Contract	10/1/00	10/1/01	N/A	N/A	0.3	24.6%
29 Palms/Facilities	***MC20000735***	116	22	138	66	9/3/03	12/1/03	10/28/05	11/30/10	4.1	39.8%
Hawaii/Facilities	***MC20000736***	203	35	238	152	7/1/03	3/7/04	4/4/05	3/7/09	5.2	25.8%
Yuma/Facilities	***MC19990729***	103	114	217	99	6/14/01	1/4/02	2/3/03	1/3/09	5.8	41.4%
MARFORLANT											
Cherry Point/Facilities	***MC19990728***	361	10	371	235	11/30/01	10/1/02	2/6/04	10/1/05	7.0	26.9%
Beaufort/Facilities	***MC19990730***	94	6	100	**Contract**	9/18/01	3/17/02	N/A	N/A	2.3	39.3%
Lejeune/Issue & Distribution	***MD19990286***	0	14	14	Contract	12/14/00	12/15/00	N/A	N/A	0.0	1.5%
Lejeune/Fuels	***MD19990285***	7	6	13	Contract	8/1/03	1/28/04	N/A	N/A	0.0	0.0%
Lejeune/Range Operations	***MD19990284***	0	45	45	Contract	6/1/03	11/28/03	N/A	N/A	0.1	30.9%
Lejeune/Real Prop. & GM	***MC20030002***	265	11	276	**Contract**	9/28/04	6/1/05	N/A	N/A	9.3	40.8%
Lejeune/Bachelor Housing	***MC20030003***	61	1	62	58	7/14/04	1/1/05		4/1/10	.1	5.7%
Lejeune/Waste & Recycling	***MC20030004***	25	0	25	19	6/21/04	1/1/05		4/1/10	.3	21.9%
Lejeune/FSSG	***MC20030005***	27	0	27	18	11/9/04	6/1/05		12/31/09	0.6	30.3%
Lejeune/Manpower Admin	***MC20030006***	8	17	25	16	11/9/04	6/1/05		12/31/09	0.3	33.8%
Lejeune/Motor Vehicle Maint	***MC20030007***	52	24	76	**Contract**	11/9/04	7/1/05	N/A	N/A	3.0	67.2%
Lejeune/Supply	***MC20030008***	38	15	53	13	11/9/04	6/1/05		12/31/09	1.8	73.0%
Lejeune/Range Management	***MD20030001***	3	16	19	Contract	5/24/03	12/1/04	N/A	N/A	0.8	11.1%
LOGBASES											
Albany/Facilities	***MC19990731***	113	15	128	52	12/11/01	2/11/04		2/10/07	4.4	52.0%
Albany/Environmental	***MC19990732***	21	0	21	14	8/13/01	10/1/02		9/30/05	1.1	28.5%
Albany/Architectural & Eng.	***MD19990181***	8	0	8	6	1/12/01	10/1/01	N/A	N/A	.1	21.5%
Barstow/Facilities	***MC19990719***	293	23	316	143	3/27/01	10/1/01	1/13/03	9/30/08	7.2	45.5%
TECOM											
Parris Island/Facilities	***MC20000733***	161	0	161	98	9/18/02	3/1/03	2/22/05	2/29/08	3.3	30.1%
Parris Island/Motor Transport	***MC20000721***	40	0	40	34	9/18/02	10/1/03	2/22/05	7/20/08	.3	10.2%
Parris Island/Museum	***MD20000182***	0	5	5	5	6/7/00	10/1/00	N/A	N/A	.0	0.0%
San Diego/Facilities	***MC19990720***	75	5	80	58	7/26/01	2/1/05		1/31/13	1.2	19.7%
San Diego/Grounds Maint.	***MD19990186***	17	0	17	Contract	8/1/00	2/5/01	N/A	N/A	.1	16.5%
Other											
Quantico/Facilities/Logistics	***MC19990722***	408	97	505	246	9/24/02	4/23/03	12/15/04	4/22/08	15.9	43.1%
Quantico/Housing Maint.	***MD19990268***	6	11	17	Contract	1/30/01	5/1/02	N/A	N/A	.3	23.2%
Quantico/Sludge Hauling	***MD19990183***	1	0	1	Contract	8/14/01	2/2/04	N/A	N/A	.0	15.9%
Quantico/Waste/Recycling	***MD19990184***	6	3	9	Contract	8/29/01	3/1/02	N/A	N/A	.7	90.3%
Quantico/Custodial Svcs	***MD19990185***	5	0	5	Contract	8/29/01	7/1/02	N/A	N/A	.1	53.5%
Quantico/Wrecker Services	***MD19990002***	0	6	6	Contract	11/2/00	10/1/03	N/A	N/A	.4	94.5%
HQBN/MRP	***MC20000734***	12	5	17	6	9/27/04	1/3/06		9/30/10	.7	53.7%
Garrison Food Svc	***MDPRIV0001***	0	594	594	Contract	8/1/02	10/1/02	N/A	N/A	27.9	19.6%
Total		**2937**	**1135**	**4072**	1,596						
Savings										**~$113.7**	**29.6%**
									(some rounding error)		
							Without Direct Conversions			**$83.0**	**36.3%**

Commander's Role

- **Supports Preliminary Planning, PWS and AT Teams**
  - Team Membership
  - Space Requirements
  - Communication Plans
- **Provides Input Into Performance Requirements (PWS Development)**
- **Participates in Selecting Best Service Provider (Source Selection)**
- **Maintains Firewall Between PWS and AT Teams to Avoid Conflict of Interest**
- **<u>Ensures</u> Performance Meets the PWS Requirements Regardless of Service Provider Selected**
- **Reports on Program Performance**

DCAMIS Data Reporting

- DoD Commercial Activities Management Information System
  - Official report to OSD of A-76 competition actions
- Key Data Reported
  - In-Progress Data
    - Milestones
    - Cost to conduct the competition (reported in hours for the individuals conducting the competition)
    - Decision results
  - Transition Data
    - Personnel actions
    - Implementation reporting
  - Performance Data
    - FTE changes
    - Cost changes
    - Performance metrics achievement (Input NLT Annually)
- Activities (Usually the Business Performance Office) has Access to Read the Information and Forward Data to Their Intermediate Level Command.

What Else is Important to Me?

- **Currently There Are Numerous MEOs**
- **All Were Competed Under the Old Circular. They Fall Under the Same Standards as in the New Circular for:**
  - Performance monitoring. Programs run by Intermediate Commands but may delegated to the base for activities achieving good performance.
  - Maintaining an accurate PWS
  - Recompeting
    - Activities should put in requests for 3 year extensions 1 to 1.5 years prior to the end of their last performance period
- **DoD Commercial Activity Management Information System (DCAMIS) input is generally done by your Intermediate Command however, data may be required of you (see back-up)**

Useful Websites

- **OMB** (**http://www.whitehouse.gov/omb**)
  - A-76 Circular
- **GAO** (**http://www.gao.gov**)
  - Reports, Bid Protest Decisions, A-76 Panel
- **OSD** Share A-76 (**http://sharea76.fedworx.org**)
  - IGCA Inventory, COMPARE
- **DAU** (**http://www.dau.mil**) , (**http://clc.dau.mil**) and (**https://learn.dau.mil/html/clc/Clc.jsp**)
  - Continuous Learning A-76 Module CLC037
- **Marine Corps** (**http://hqinet001.hqmc.usmc.mil/i&L/v2/LR/LRHome.htm**)
- **Navy** (**http://competitivesourcing.navy.mil**)